Internal Audit

NHS
Lothian

Absence Management

October 2016
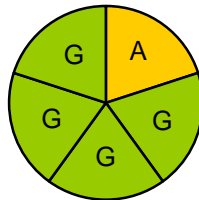
Report Assessment

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Introduction

NHS Boards should aim to achieve a sickness absence rate of 4 per cent, in line with Scottish Government expectations. For the financial year 2015/16, NHS Lothian had a sickness absence rate of 4.96% compared to the NHSScotland average rate of 5.09% and the NHS Lothian target of 4%.

Sickness absence could result in cancelled appointments and procedures. It can also lead to increased pressure on staff and patients, increased costs of employing bank and agency staff, and reduced efficiency. Therefore, managing sickness and absence is vital to reduce costs and associated pressures with staff absences.

Scope

The audit assessed the robustness of the controls framework of absence management across NHS Lothian and considered the extent to which these are consistently applied in practice.

Based on the latest absence statistics available on sites / groups we selected the top three sites with the lowest absence rates and the three areas with the highest rates and examined the application of the policies across each of the sites. In addition, we included a sample of training grade doctors in our testing to ensure that there is effective management of their absences.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and cooperation.

NHS
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Executive Summary

Conclusion

There are appropriate controls in place to manage sickness absence within the organisation, which include the creation of an efficiency and productivity group, the provision of up to date statistics at management and committee level, and the provision of absence management training to line managers. However, one significant, one important, and three minor control issues were noted, which if addressed would further strengthen arrangements.

Summary of Findings

The table below summarises our assessment of the adequacy and effectiveness of the controls in place to meet each of the objectives agreed for this audit. Definitions of the ratings applied to each action are set out in Appendix 1.

No.	Control Objective	Control objective assessment	Number of actions by action rating			
			Critical	**Significant**	**Important**	**Minor**
1	Cases of sickness absence are handled appropriately in line with policies and procedures including performing return to work discussions, holding formal meetings, utilising Occupational Health, sending keeping in touch letters for long term absence etc.	**Amber**		1		3
2	Sickness absence is recorded completely, accurately, and promptly in SSTS by line managers.	**Green**			1	
3	Managers make effective use of the Absence Dashboard and individual employee sickness records held on PWA and have systems in place to effectively manage sickness absence.	**Green**				
4	Management information on absence statistics is regularly produced and reported to senior NHS Lothian Committees.	**Green**				
5	Absence management training and coaching is provided to line managers to ensure that they understand the policy and	**Green**				

No.	Control Objective	Control objective assessment	Number of actions by action rating			
			Critical	Significant	Important	Minor
	processes for managing absence approach.					

Control Objective Ratings

Action Ratings	Definition
Red	Fundamental absence or failure of controls requiring immediate attention (60 points and above)
Amber	Control objective not achieved - controls in place are inadequate or ineffective (21 – 59 points)
Green	Control objective achieved – no major weaknesses in controls but may be scope for improvement (20 points or less)

Main findings

We noted a number of areas of good practice during the review.

An efficiency and productivity group is currently reviewing sickness absence within the organisation in order to produce a standardised, best practice approach of reducing these absences. The group has senior membership, including the Nurse Director, and is expected to conclude within the next 12 months.

There is effective communication of absence statistics to the Lothian Partnership Forum, which includes the overall absence rate by month for NHS Lothian and for other comparable NHS boards within Scotland. In addition, there is more detailed reporting to each of the local partnership forums.

Managers are able to access half-day sickness absence training sessions, and two-day Management in Practice training (which includes an absence management module), both of which are provided by HR.

Although these courses are not mandatory for line managers, 4 of the 6 managers sampled for this audit stated that they had attended one or both of the training sessions.

We identified one significant issue for improvement during the review:

- NHS Lothian's Promoting Attendance Policy & Procedure provides guidance to line managers on how to manage their staff's sickness absence, including receiving notifications of absence, receipt of self-certificates and GP fit notes, use of the Occupational Health Service (OHS), and how to conduct effective return to work (RTW)

meetings. However, our testing revealed that 21 (66%) of the 32 absences sampled for the audit did not have all relevant documentation in place.

Further details of this point, one important point and three minor points, are set out in the Management Action Plan.

Management Action Plan

Control objective 1: Cases of sickness absence are handled appropriately in line with policies and procedures including performing return to work discussions, holding formal meetings, utilising Occupational Health, sending keeping in touch letters for long term absence etc.

1.1: Non-compliance with the Promoting Attendance Policy & Procedure	**Significant**

Observation and Risk:

NHS Lothian's *Promoting Attendance Policy & Procedure* provides guidance to line managers on how to manage their staff's sickness absence, including receiving notifications of absence, receipt of self-certificates and GP fit notes, use of the Occupational Health Service (OHS), how to conduct effective return to work (RTW) meetings, and how to deal with cases where staff members have persistent absences.

However, testing a sample of 32 absences which occurred between 1 August 2015 and 31 July 2016 revealed instances of non-compliance with the Procedure :

- Not all GP fit notes or employee illness self-certificates were provided in 5 (28%) of 18 relevant instances. Self-certificates must be provided for absences of between 4 and 7 days, and GP certificates must be provided for absences of greater than 7 days
- There was no evidence of RTW meetings in 14 (44%) of 32 relevant instances. RTW meetings are important as they allow managers to determine if the staff member requires any support, and to emphasise the importance of minimising non-attendance
- There was no evidence of action taken to deal with staff members' persistent absences in 7 (58%) of 12 relevant instances
- There was no evidence of review meetings in 4 (31%) of 13 relevant instances. Review meetings are held in cases of longer-term absence and allow the manager to determine how much longer the absence will last, and whether the staff member requires assistance in returning to work
- There was no evidence of the use of keeping-in-touch letters in 4 (31%) of 13 relevant instances. These letters are designed to provide support to staff members who have not yet returned to work
- No half-pay letter was sent to the member staff in 1 (33%) of 3 relevant instances. These letters are used when staff members are about to move to half-pay.

Also, for the areas sampled by the audit, paper documentation relating to trainee doctors' sickness absences is not being retained by the organisation in any instances. This documentation includes self-certificates and GP certificates, referrals to OHS, notes on letters sent to long-term absentees, and evidence of action taken to deal with persistent absences. Some information, however, is being recorded on HR's electronic system Empower, namely the date of illness absence, the nature of illnesses, and RTW discussions.

If the Procedure is not fully complied with in all instances there is a risk that sickness absence will not be effectively managed.

Recommendation:

HR should contact all line managers to emphasise the importance of complying with the *Promoting Attendance Policy & Procedure*. In particular, all necessary documentation and evidence should be retained. HR may wish to conduct spot checks on compliance with HR policies and procedures in respect of absence, to emphasise the importance of policy, and identify future training needs to improve overall compliance.

Management Response:

Through the Local Partnership Forum structure, a memo will be sent out advising that an audit of sickness absence has taken place which has shown that not all aspects of the Promoting Attendance Policy and Procedure are being complied with in all service areas. The memo will highlight some of the issues that were raised as part of the audit and managers will be advised that they need to comply with all parts of the policy and procedure.

In terms of the suggestion around spot checks being carried out to ensure compliance with the policy and procedure, it is accepted that these may be helpful but as the responsibility for complying with policies and procedures is a line management issue, the suggestion around spot checks will be included in the memo to the Local Partnership Forums as an option that they may wish to consider in partnership to ensure that in the local areas the policy and procedure in relation to sickness absence is being followed. This is a more practical option rather than HR carrying out such spot checks.

Responsibility:	**Target date:**
Associate Director of HR	30 November 2016

1.2: Development of improved promoting attendance procedures	Minor

Observation and Risk:

The effective promotion of attendance by line managers is designed to reduce sickness absence, so reducing bank and agency staffing costs.

Within the past 12 months work has been performed at the Royal Edinburgh Hospital (REH) by line managers and HR staff to change the method of conducting RTW meetings. The new approach involves having the RTW conducted by a more senior manager each time an employee returns from sickness absence, to emphasise to the staff member the importance of reducing absences. This approach appears to have been successful, with the absence rate for April to July 2015 being 6.57%, and the absence rate for April to July 2016 being 5.27%.

This approach is not appropriate for the whole organisation, where absence levels do not warrant the level of senior manager input. However, if new, more effective, methods of reducing staff absence are not introduced throughout the organisation there is a risk that sickness absence will not be effectively managed.

Recommendation:

Management should ensure that lessons learned from the successful experience at REH is shared with line managers across the organisation.

Management Response:

Management will create a case study and place details of the REH approach on HR online along with other successful approaches being used in other parts of the organisation to ensure that each line manager has the opportunity to learn from the experiences of others.

Responsibility:	**Target date:**
Associate Director of HR	31 December 2016

1.3: Not all areas have local sickness absence procedures	Minor

Observation and Risk:

The two key documents which are used to managed sickness absence within the organisation are *Promoting Attendance Policy & Procedure*, and the *Absence Recording Policy & Procedure*. In addition, line managers should each maintain a local sickness absence procedure which provides staff with guidance on how and when to inform their line manager of a sickness absence. These local procedures are typically brief.

However, 2 (33%) of the 6 areas sampled during the audit did not have local procedures. The managers in question stated that all of their staff were aware of what to do and so did not need a written procedure.

There is a risk that staff do not inform the correct person in a timely manner, and so line managers may not be able to bring in additional staff in good time.

Recommendation:

HR should contact all line managers to state that they should have a local procedure for sickness absence which states how and when staff should contact their line manager to inform them of a sickness absence.

Management Response:

As in 1.1 above, this reminder will be included in the memo that is being sent out to the Local Partnership Forums as one of the areas of concern raised by the Audit.

Responsibility:	**Target date:**
Associate Director of HR	30 November 2016

1.4: The Absence Recording Policy & Procedure has not been recently reviewed	Minor

Observation and Risk:

NHS Lothian's *Absence Recording Policy & Procedure* provides guidance to line managers on how to record absences in a complete, accurate, and timely manner.

However, the Procedure has not been reviewed since 2008 and does not reflect, for example, the current level of access to Empower across the organisation and the current information resources which are available (e.g. Tableau dashboards).

If procedures are not regularly reviewed there is a risk that their guidance is not as effective as it could be.

Recommendation:

HR should review the *Absence Recording Policy & Procedure* and update this where required, as well as continuing to review the policy on an annual basis.

Management Response:

The Absence Recording Policy and Procedure will be reviewed at the HR Policy Group meeting on 22 November 2016 and a decision taken as to whether it is still required and if so will updated and then approved at the LPF meeting in January 2017.

Responsibility:	**Target date:**
Associate Director of HR	31 January 2017

Control objective 2: Sickness absence is recorded completely, accurately, and promptly in SSTS by line managers.

2.1: Reasons for absence are not all correctly stated in SSTS	**Important**

Observation and Risk:

NHS Lothian uses the electronic SSTS (Scottish Standard Time System) to record payroll-related information, including sickness absences. Line managers, or their delegates, should enter all sickness absence information into SSTS in a timely manner, e.g. the absence dates, and the nature of the illness.

SSTS provides a set list of illness types, e.g. anxiety and stress, gastro-intestinal, and back problems, in addition to offering line managers the choice of selecting "Other known causes – not otherwise classified" or "Unknown causes / not specified". Managers are encouraged by HR not to use these latter two categories, but instead to be as specific as possible in stating the nature of the employee's illness.

The number of instances of absence within the organisation from 1 August 2015 to 31 July 2016 was 37,445. However, of these, 9,784 (26%) are categorised as either "Other known causes – not otherwise classified" or "Unknown causes / not specified". This issue is currently being considered by the efficiency and productivity group mentioned at Issue 1.2.

There is a risk that managers do not have a clear understanding of the nature of illness absences for individual areas and so are less able to effectively deal with them.

Recommendation:

HR should remind line managers to use the categories "Other known causes – not otherwise classified" or "Unknown causes / not specified" for categorising illness absences as little as possible.

Management Response:

The management view concurs with this position and if it had not been that these are nationally set codes which Boards are required to use, then this code would have been removed in NHS Lothian to prevent its regular use. In the memo highlighted in 1.1, managers will be reminded that this code should not be used unless in exceptional circumstances and if the code requires to be used, once the reason for absence is known then SSTS should be updated. The memo being sent out will include guidance for managers as to how to update on SSTS.

Responsibility:	**Target date:**
Associate Director of HR	30 November 2016

Control objective 3: Managers make effective use of the Absence Dashboard and individual employee sickness records held on PWA and have systems in place to effectively manage sickness absence.

We identified no significant issues in relation to this control objective.

All managers sampled for the audit stated that they reviewed individual staff members' sickness records prior to RTW meetings in order to determine what action to take.

All managers have access to Empower, and they stated that they access the system every fortnight at least in order to review the sickness absences for all of their staff.

Tableau dashboard information is available for senior managers, for example clinical nurse managers, to enable them to review absences for all of their departments and staff groups.

Control objective 4: Management information on absence statistics is regularly produced and reported to senior NHS Lothian Committees.

We identified no significant issues in relation to this control objective.

The Lothian Partnership Forum receives sickness absence statistics at each meeting. The statistics show the monthly sickness absence rate for the entire organisation, alongside statistics for other NHS boards within Scotland.

In addition, the local partnership committees within the organisation are provided with sickness absence statistics for their areas. These more detailed statistics, e.g. with information broken down by staff group, allow the committees to gain a better understanding of absence rates.

Control objective 5: Absence management training and coaching is provided to line managers to ensure that they understand the policy and processes for managing absence approach.

We identified no significant issues in relation to this control objective.

Managers are able to access the half-day sickness absence training session which is provided by HR.

In addition, line managers can attend the two-day Management in Practice training, which includes an absence management module.

Although these courses are not mandatory for line managers, 4 of the 6 managers sampled for this audit stated that they had attended one or both of the training sessions.

Appendix 1 - Definition of Ratings

Management Action Ratings

Action Ratings	Definition
Critical	The issue has a material effect upon the wider organisation – 60 points
Significant	The issue is material for the subject under review – 20 points
Important	The issue is relevant for the subject under review – 10 points
Minor	This issue is a housekeeping point for the subject under review – 5 points

Control Objective Ratings

Action Ratings	Definition
Red	Fundamental absence or failure of controls requiring immediate attention (60 points and above)
Amber	Control objective not achieved - controls in place are inadequate or ineffective (21 – 59 points)
Green	Control objective achieved – no major weaknesses in controls but may be scope for improvement (20 points or less)